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C O N F I D E N T I A L SECTION 01 OF 02 QUITO 000705

SIPDIS

E.O. 12958: DECL: 03/30/2015

TAGS: PGOV KJUS EC

SUBJECT: ECUADOR: MORE CHAOS IN CONGRESS

REF: OUITO 664

Classified By: DCM Arnold Chacon. Reason 1.4 (b&d).

11. (C) Summary: Despite conciliatory overtures by President Gutierrez to resolve the Supreme Court issue, confrontation flared again in Congress on March 30 over the selection of a new Attorney General. The battle over the new Attorney General has temporarily crowded out debate over the President's new proposed law to vacate the Supreme Court pending a referendum on how to select a new one. The PRIAN is voting against the government on both issues, leading the government to seek new allies in Congress. President Gutierrez hinted to the Ambassador that he was seeking those allies in the moderate Left. Thus far, conflict in congress has not threatened the stability of the government directly. It continues to divert the GOE from governance, however, negatively affecting USG interests. We continue to encourage dialogue as the path to progress. End Summary.

## Another Rumble in Congress

12. (U) March 30 was the final date for Congress to choose from among the three candidates for Attorney General selected by the National Judicial Council (CNJ). Seeking to close off debate, President of Congress Omar Quintana opened the battle by immediately closing the congressional session, declaring lack of quorum. Opposition members sought to hold the session elsewhere in the Congress building, provoking Quintana to rage through the halls and nearly come to blows with opposition members. Fifty-seven opposition members, led by PSC deputy Cynthia Viteri, then moved to another building, re-opened the session, and again voted to reject all three candidates. To prevent Quintana from blocking transmittal of the resolution to the CNJ, as he had done with an earlier resolution approved by 60 legislators March 23 (RefTel), the rebel legislators then personally delivered the resolution to the CNJ. The government's congressional allies declared the session illegal and Quintana vowed to swear in Jorge Lopez, the first of the three candidates and a Gutierrez ally, on March 31.

## Supreme Court Issue Diverted

13. (U) The fight over the Attorney General has temporarily diverted Congress from the unresolved conflict over the Supreme Court. After a humiliating rebuff by the opposition to his invitation to public dialogue on March 23, President Gutierrez signaled new flexibility by introducing a resolution in Congress on March 28 which would declare the current Supreme Court terminated upon Congressional passage. The bill echoes elements of the President's referendum proposal, reducing the number of justices from the current 31 to 16, adding an age limit of 75, and describing a selection process through electoral colleges. The measure would then be put to the people in a binding referendum. Congress has not taken up the President's bill, diverted instead by the fight over the Attorney Generalship. The ad-hoc Assembly of Quito, led by Mayor Paco Moncayo, is calling for immediate Congressional action to terminate the court, threatening to convoke civil society to plan a strike. The Supreme Court stayed home on March 30 due to a bomb threat against their building.

## GOE Flirting with ID

14. (C) Appearing serene amidst mounting political turmoil, President Gutierrez on March 28 told the Ambassador that he continued to seek dialogue with the opposition on the court issue, but the opposition was not biting. PRIAN leader Noboa continued to resist any change to the court, and did not want to face his tax obligations either. Gutierrez said he was offering his bill in response to the UN Rapporteur's suggestion that he offer new proposals to move the issue. Asked by the Ambassador whether he had sought dialogue with Social Christian Party leader Jaime Nebot or his congressional allies, Gutierrez said no. Instead, he said, he hoped to exchange views with the moderate faction in the Democratic Left (ID). Gutierrez said that this faction, led by Congressman Andres Paez, was interested in discussing a broader agenda including, in addition to the court issue, agreement on hydrocarbon exploitation and free trade. He was favorably disposed, and asked the Ambassador to use her good

offices to encourage the dialogue.

## Alliance Over?

15. (C) What does all this mean? First, it is clear that the government's earlier alliance with the PRE, PRIAN, independents and small leftist parties has frayed. has defected to fight for its own Attorney General and to preserve the composition of the Supreme Court. This break reflects banana magnate Alvaro Noboa's interest in protecting his business empire from legal challenge. The PRIAN retains a strong interest, however, in working with the government to protect the current composition of the Supreme Electoral Tribunal. Noboa believes he lost his first bid for the presidency, due to electoral fraud, and wishes to retain control of the TSE to prevent that from happening again in 12006. Meanwhile, Gutierrez is clearly looking for allies among the opposition to resolve the Supreme Court issue, and seemed very hopeful about prospects within the ID. We are less sanguine about the chances of this dialogue reaching fruition, given the splits inside the ID, where the radically anti-Gutierrez faction is dominant. Moncayo is a potential counterweight, but has been reluctant to enter into dialogue thus far.

Comment

(C) The ongoing battles in Congress reflects intense political competition but, at least since February 16, have lacked the massive street support to directly threaten the government's stability. The government has benefited from the indigenous movement's continued preoccupation with internal divisions, and the public's growing fatigue with incessant political infighting. Meanwhile, with Congress diverted, key USG priorities including TIP and money-laundering legislation, remain blocked. Our efforts to encourage dialogue have had a positive effect on the government; we will redouble our efforts with the opposition.

KENNEY